



**CITY OF LACONIA
MAYOR'S SPECIAL CITIZENS AD HOC REVIEW COMMITTEE -
CITY OWNED PROPERTY AT OLD NORTH MAIN ST. AND PARADE ROAD
APRIL 22, 2025 – 5:30PM**

**Lakes Region Mental Health Center Conference Room
40 Beacon Street, East
Laconia, New Hampshire**

AGENDA

1. Welcome / Call to Order

2. Roll call –

Committee Members

Mayor Adrew Hosmer (ward 1)

Councilor Eric Hoffman – Chair (ward 1)

Mike Little - (ward 1)

Jason Sproul - (ward 1)

Ollie Anderson - (ward 1)

Laura LeMein – (ward 1)

Bill Marshall – (ward 1)

Matt Cashman – (ward 1) joined meeting at approx. 7pm

Patrick Wood – (ward 1)

Staff

Kirk Beattie, Joia Hughes, Rob Mora, Tyler Carmichael

3. Recording secretary

4. Presentation by the Lakes Region Community Developers

Carmen Lorentz, Executive Director and

Kara LaSalle, Real Estate Development Director

Response to RFQ No. Q24-08-08 Proposal for development of City's surplus
property parcel No. 332-404-1

Eric Hoffman opened the meeting.

Carmen and Kara introduced themselves.

Carmen gave an overview of who is Lakes Region Community Developers (LRDC) is and the typical housing they develop.

Example highlighted was Harriman Hill in Wolfeboro. Mix of family and retirees. 70% families, 30% retirees. This housing is restricted to people with certain incomes but does not have a subsidy.

Established in 1988, in the 2000s started developing outside of Laconia.

Main source of construction funding is from the Low Income Housing Tax Credit a program that began in the 1980s and is regulated by the IRS and can provide about 60% of a projects total development cost.

Their proposal for Old North Main would be income restricted housing but not subsidized housing with a rent control structure.

HUD Income limits for this type of housing was discussed. For more information you can find these at www.NHHFA.org. Anticipation is that there would a combination of different income levels and apartment sizes.

Area Median Income levels indicated on the slide presentation are for Belknap County and come from Housing and Urban Development.

Kara then talked about the development process.

Feasibility Analysis – where we are now. Studies on the land, site, zoning and area need and determining if the funding sources needed available to make the project “pencil out”.

Conceptual Design – 3-6 months typical, at this point there is site control. Predevelopment funds are expended on more site engineering, environmental reviews and architectural plans. Possibly bring the plan before the City’s TRC.

Schematic Design – architectural and engineering designs are more formalized and financing schedule is established. The proforma is developed. Site Plan Application/Funding Applications/Obtain permitting.

Preconstruction – finalized plans and go out to bid.
2-3 year process total.

Questions:

Schematic design discussed in more detail.

Do you get cost analysis, value engineering? Yes, during conceptual design as more information is obtained on the site and then later when the bids are received, they do value engineering.

Explanation of what value engineering is. Discussion of Add Alternatives and material substitutions.

When do you consider what the neighborhood wants? If the cost drops how can you propose a particular building, the design will change. Using LIHTC has a very high construction standard but usually a slim operating budget, so higher end finishes are used up front. The public will be able to comment during planning board review.

The vernacular of the terms affordable, workforce and market rate housing was discussed. It was noted that this is not subsidized or supportive housing.

Employer sponsored housing was discussed.

Could a fire fighter or police officer qualify for these units. Yes, likely with dependents.

At this time the presentation continued.

Performance Zoning was discussed as it relates to this response to the RFQ.

Carmen and Kara then provide a response to questions submitted before the meeting - Greenspace can be addressed, parking can be addressed.

Dumpsters – that would be done later in the process, not at the conceptual phase.

Points of entry – only one access point considered at this point.

Councilor Eric Hoffman, Chair noted that these types of questions will be addressed by the Planning and Zoning department at a later date if this development was to move forward.

LRDC explained that 36 units are proposed in 3 buildings, including units mixes (40-80% MAI levels) for different incomes, accessible units and a community room.

The lot coverage is 1.20% without taking into consideration the parking/roadway. Rent structure was discussed but since this is very conceptual it would depend on household sizes.

The buildings were designed to look like a farmhouse style.

Questions:

Does the 1.2% lot coverage include paved areas, no.

Further response to questions submitted before the meeting – most questions were premature at the conceptual stage.

LRDC explained that they are a nonprofit organization and not a for profit developer. They provide services to residents. Buildings adhere to green standards with environmentally friendly materials. Solar and net zero design is considered.

Budget and Funding – Use of the LIHTC, CDBG, FHLBB AHP and other more traditional financing. Until the project is bid the total development cost is unknown.

LIHTC – what is it? It's an IRS program. Land Use Restriction Agreement (LURA) is used to protect the development to remain affordable for at least 75 years, therefore it cannot be converted into an ownership model.

How would the development be managed? LRDC uses a management company to do the day to day management.

Who would own the land? Selling the land or leasing the land has not been discussed at this point.

What would LRDC prefer? Ground lease would impact real estate taxes as the state determines that the 10% of gross rents is paid in taxes. This could change if there is another ownership model.

A neighborhood resident asked - How does this affect the surrounding properties values? Design would be done to complement the surrounding neighborhood. Discussion ensued about the perceived impact on surrounding property values.

Project budget was discussed. It was noted that there must be a model that uses a per square foot cost? Currently construction of other projects in development are \$250/sq foot. Due to changes in material costs the costs are fluid.

It was noted that this is not a site plan and there are no detailed proformas done at this time.

There was a concern expressed that the zoning for this parcel of land was changed without the neighborhood being notified. City Staff noted that there were 3 public hearings for the zoning change, two of which were attended by a few residents and the third one no one from the public attended.

A resident noted that this type of development should not be allowed to happen in one of the nicest neighborhoods in Laconia.

Further planning will be needed regarding the greenspace and use of that space by residents.

Are these modular buildings? The buildings will be stick built, LRCD has not used modular.

What is the traffic impact? This would need to be determined.

Timing – it was noted that this process appears to be rushed.

Is there a reason the entrance/exit to be on Route 106? Concerns were expressed about residents walking and biking on Old North Main Street.

Will residents have a yard. The development will have access to the surrounding green space like any traditional apartment building.

A resident noted that they think there are wetlands on this parcel.
Could someone build this development if they were not LRDC, yes.

What about taxes? Tax assessment – the state tells the city how much that the City can collect in real estate taxes on the units constructed with the LIHTC. The rents were questioned, LRCD explained that the HUD guidelines dictate what can be charged and change regularly. The breakdown is in the original proposal.

LRCD explained that you need to income qualify at the time of move in. However, rent can increase if you exceed the income threshold.

If you work for the City at move in and you take another job do you have to move. No. At this time, this proposal does not include employer sponsored housing.

An attendee proposed that City Officials are selling this development as only for City staff. It was noted that this development would serve people working in the area. The City noted that it has had difficulty filling some jobs due to the lack of housing and that examples of those job vacancies and related incomes would qualify for this type of housing.

It was noted that there must be other parts of the City that is more appropriate for this type of clientele and that low income housing should not be in this area because it doesn't fit.

It was noted that low income people are in no way less deserving of living in this area. A comment was made that the City was not allowing the neighborhood residents input on this committee's decision.

The Mayor clarified that this is only a discussion on what can be done to address the housing needs and this is the property that the City has available.

Concerns were expressed that the meeting wasn't noticed and that mailings should have been sent to all residents.

It was discussed that the next meeting notice could be put into the Laconia Daily Sun in addition to the regular posting process.

An attendee noted that he liked the entrance on Old North Main and that he thought this was much safer.

A discussion occurred among several attendees about a study to determine if there was a negative effect on property values by having this development in the neighborhood.

Councilor Eric Hoffman asked for some facts to determine this. An attendee asked what was the outcome expected of this RFQ and committee process. What is the goal?

An attendee noted that the newspaper noted that the former Laconia State School property was due to start construction in Summer 2025. Kirk Beattie noted that he was under the understanding that while some site work might be done this summer, construction would not likely happen before Summer 2026.

An attendee asked why the City felt the need to develop this property with such a large development expected across the street and the impact on the City's available recreation areas. Councilor Hoffman noted that we don't know the details on the housing being developed across the street. He noted that although there were many developments happening in the City, none were affordable to residents earning entry level job salaries.

It was noted that a petition was submitted with 200 signatures to opposition to a proposal for affordable housing in September 2024.

Is there a timeframe? No

Meg Daubenspeck was asked how long a young person can stay in Laconia and own a business? She noted that she cannot afford to live in Laconia. She noted that she has friends leaving the area for the bigger Cities.

The committee was asked what the time frame was to develop this property? This is unknown.

The Mayor noted that at \$379k for a condo and \$500k+ for a home we owe it to our residents to explore all options to keep our lower income and younger residents here.

What about the 90 units on Province Street?

LRCD was commended on a good presentation but what is end process?

A Lakes Region Planning Commission report was noted to show data that the units are needed.

Discussion noted that a detailed Master Plan is needed.

Timeframe, why now? The mayor responded that housing is an immediate need. Where can a teacher making \$45k commuting 45 minutes how long will they stay? We can't afford to wait 5 years.

It was noted again. This is a discussion process and the committee is researching this proposal.

The Mayor notice that good government discussed its problems.

Catherine Bowler of LHRA did note they have staff that has left, and they hear it from their residents too.

What about the 90 units on Province Road? Rent controlled for 5 years only. What then?

Eric mentioned that there were several proposals and this one was determined to be the one with the light touch and seemed to be the best fit.

Discussion was about what should be on the property? A resident noted that it should be single family homes. Others noted who can afford those homes?

A resident noted that he worked hard to afford his home.....others should too and the clientele proposed should not be allowed to live where others have worked hard to live there. There shouldn't be a class difference, that it will affect property values. Clientale was discussed, a demographic and don't make as much money. It was suggested that residents didn't want people to live on old north main that don't make as much money as those who already live on old north main.

Disussion ensued about segregating based on income.

Thanks was given to the Planning Department for the # units approved and how many are income restricted??? Most of these are market rate?

Kirk responded yes.

Beane conference center (a recent parcel pending rezoning), is this market rate? The paper says it was not market rate? This proposal is still pending before planning board.

New Salem Street – is this market rate? This proposal is still pending before planning board.

A committee member asked Planning to guess as to how many are not market rate? Is it more than ½? It should be more than 5% below market rate? Just for a ballpark?

Rob Mora was asked about getting this data.

LRPC states that 3000 units are needed for the Lakes Region, not necessarily Laconia. But population is declining? How does this work out?

It was noted that economic growth has an expense related to it.

Discussion occurred about why and when the change in mission from the Laconia Area Community Land Trust and then the Lakes Region Community Developers. Carmen noted that Land Trusts as a whole in New Hampshire were not very successful but VT has done better.

It was noted that if you don't wear a badge this housing isn't for you. He called about 100 people, and asked them where they were renting now and would you prefer to live on Old North Main? And they said no.

What is the absorption rate of the Province Street property? This is unknown.

Difficulty understanding the rent control? Is it that the asset is being subsidized and the operation/management is not....LRCD, yes that is a fair assumption.

The slide from the previous meeting from the first presentation was shown which indicated the types of housing and where this development would fall on the chart. The Housing Continuum slide. LRCD is asked where does the proposed housing fall, and she notes the green column.

Further discussion on the way rents are calculated.

It was noted that the newspaper noted 40-80% MAI for residents? And do the rents include utilities? No

LRCD some tenants pay more than 30% of their income but it's still less than area market rents.

How does MAI from HUD differ from the Census Data?

It was noted that the land is worth \$1.7M and is this the highest and best use of the property?

Councilor Hoffman noted that the meeting needed to adjourn.

The next meeting will be announced.

Meeting notices will be in the Laconia Links and the Laconia Daily Sun as well as the 5 places that the City normally posts.

5. Next meeting date

6. Adjournment